

HOME REPAIR SCAMS

Once the immediate hazards of a natural disaster are over, it's inevitable that other problems surface. Among these are scams, frauds, and other consumer protection issues. The Federal Trade Commission (FTC), the nation's consumer protection agency, wants you to know about about scams you may encounter, your rights, and other organizations that have important information about relief for Hurricane Katrina victims.

Consider any offer that is made on a "now or never" basis to be fraudulent. Ask to sleep on any offer and get a phone number to call back.

Deciding on a Contractor

1. Check to see whether the company is local. Does it have a track record and references in the area? Can you see previous work? Take a look at the company vehicle: Does it have the company name, address, and phone number on it?
2. Get at least two bids in writing.
3. Look at the contractor's business license, and keep the number.
4. Check with the Better Business Bureau or friends and neighbors to make sure complaints haven't been filed against the company.

KEEP YOUR GUARD UP

Remember that although you may have lost your belongings, you haven't lost your good judgment.

- Before you give out your personal information, make sure it is absolutely necessary and ask for identification.
- Ask to see the ID of anyone who wants to come in; check out any company with whom you think you want to do business. Check trucks and cars for local addresses and phone numbers.
- Get more than one estimate for repairs or service.
- Don't believe great promises. No one is getting something for nothing.
- Shop around. Some business advertise "disaster" sales offering appliances and major electronics at reduced prices. While these could be bargains, they also could be gimmicks.
- Don't pay the full price for service work until the service is completed and you're satisfied with the work.

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5. If someone offers you a “special deal” in exchange for your credit card number, forget about it. And if someone promises you a loan in exchange for a fee in advance, say no. Deal with established lenders only.
 6. Pay in installments as the work is completed or in one large payment once the work is done and has been inspected. Before you pay, insist that the contractor give you a sworn statement that all materials have been paid for and all subcontractors have been paid. This protects you from liens that may be placed on your property if all suppliers and subcontractors haven’t been paid.

Paying for Repair Work

- Never sign your insurance check over to a contractor. Instead, arrange with your bank for a Certificate of Completion. The bank will pay the contractor for each stage of the job only after you have given your okay.
- FEMA operates a Disaster Housing Program to help homeowners who have been forced out of their homes by disasters. This includes Disaster Home Repair Assistance, which provides grants to homeowners for minor but necessary disaster-related repairs. Call the FEMA Disaster Helpline at 1-800-621-FEMA.
- The U.S. Small Business Administration makes low interest loans of up to \$200,000 to homeowners to repair or replace damaged or destroyed real estate.
- If you get a loan to pay for the work, be cautious about using your home as security: If you don’t repay the loan as agreed, you could lose your home. Consider asking an attorney to review the loan documents.
- If you used a credit card to pay for a product or service in dispute, you may be able to recover your money. Write the credit card company a letter with the details of the matter; you must do this within 60 days after you get the disputed bill.
- If you suspect a repair rip-off, call the consumer division of your state Attorney General.
Alabama: 1-800-392-5658 or 334-242-7334
Louisiana: 1-800-351-4889 or 225-326-6465
Mississippi: 1-800-281-4418 or 601-359-4230
- If you suspect fraud, waste, or abuse involving FEMA disaster assistance programs, report it to FEMA’s Inspector General’s Office at 1-800-323-8603.

BE ON THE LOOK OUT

Once recovery mode begins, be wary of:

- Trucks driving door to door, claiming to be doing work for your neighbors. Deal with contractors from your community.
- Anyone who asks for cash payment for their services.
- Papers that are confusing. Don’t sign them if you can’t understand them. Find someone else to do business with.
- Promises to solve all your problems. They may be tempting, and you may wish they were true, but no one can solve all the problems the disaster has brought.